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**TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)  
OPPOSING  
SB-1177, AAC ONE FAIR WAGE  
BEFORE THE  
LABOR & PUBLIC EMPLOYEES COMMITTEE  
MARCH 9, 2023**

*NFIB is the leading small business association in the nation with thousands of members in Connecticut representing a cross-section of the state's economy. For more than 75 years, NFIB has been advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. NFIB is nonprofit, nonpartisan, and member-driven. Since our founding in 1943, NFIB has been exclusively dedicated to small and independent businesses and remains so today. On behalf of those small- and independent- job-providers here in Connecticut, NFIB offers the following comments:*

NFIB opposes SB-1177 because this legislation would unnecessarily eliminate longstanding "tip credit" provisions allowed under Connecticut's minimum wage law. NFIB is very concerned that this proposal would hurt not only various small businesses in the hospitality industry, but also their current and future potential employees, by increasing labor costs and forcing an entire industry to potentially change their operations and business model. The net result of a proposal like this will be job losses due to ever-increasing labor costs for restaurant and other hospitality employers starting in October, in spite of the fact that customers will likely continue to tip servers, bartenders, etc. Facing high utility costs, taxes, unemployment insurance assessments, continuously rising costs in healthcare, the fluctuating costs and availability of food products, reduced customer demand, and significant staffing shortages, the struggle for many small employers in the food and hospitality services industry has reached a critical point. In an industry that has very tight margins, any state mandated increases in labor costs and the changes in policy contemplated in this bill will result in fewer hours and fewer jobs, as small businesses express reluctance to increase prices for consumers. Not only will small businesses and their consumers be negatively affected, but also first-time employees face the biggest risk of being priced out of the job market by a minimum wage hike for tipped employees in the hospitality sector. SB-1177 further frustrates small businesses in the hospitality sector and adds to their uncertainty by once again "changing the rules of the game" for these small employers, and at the worst possible time. Hospitality jobs are important to our state's economy and supporting local businesses and promoting related state tourism initiatives should be a focus for the legislature, not unnecessary policy shifts and cost impositions on our small businesses. Therefore, NFIB urges lawmakers to take no action on SB-1177.

Thank you for the opportunity to comment and for your consideration of NFIB's concerns on behalf of small business. For any questions or additional information, please contact Andy Markowski, NFIB's State Director in Connecticut, at 860-248-NFIB.